

MR. LODGE SEES WAR PERIL IN GOVERNMENT RUN SHIPS

Massachusetts Senator in London Discusses Plan to Buy German Boats.

NOT "HONEST" NEUTRALITY

Can't Reconcile It With Ban on Loans to Belligerents by Individuals.

Special Cable Despatch to THE SUN.

LONDON, Aug. 22.—Senator Henry Cabot Lodge, of Massachusetts, talked with a correspondent of THE SUN today of the problems which the European war has raised for the United States. He is especially interested in questions of neutrality and spoke of the apparent inconsistencies involved in the Government's discouraging of foreign loans while planning the purchase of foreign ships. Senator Lodge is senior member of the Foreign Relations Committee of the Senate and is regarded as its best informed member in questions of international law.

"I will not comment on the war," said Senator Lodge, "except to say that no such calamity has ever befallen humanity or civilization. The mind recoils even from an attempt to picture the sacrifice of life and the misery and suffering which those who began this war have brought on mankind."

"My interest is in regard to my own country and her attitude in this great conflict of nations. Fortunately the United States is outside the widespread circle of the war. The United States is at peace with all nations and I trust will remain so. From such a convulsion as this we have already suffered severely financially and by the loss of some of our best markets, and commerce is bound to suffer still more. This cannot be helped."

Honest Neutrality Our Duty.

"What we should remember above all is that we have a national duty to perform. That duty is the observance of strict neutrality as between the belligerents, with all of whom we are at peace. But strict neutrality is not enough. It must be alone honest neutrality, as honest as it is rigid."

"Neutrality, while preserving its name, can often be so managed as to benefit one belligerent and injure another. It is possible to relax the strictness of neutrality at one point and tighten it at another so as to help one belligerent and injure another."

"This is no time for neutrality of this kind on the part of the United States. Our neutrality now, as I have said, must not only be strict but rigidly honest and fair. Honor and interest alike demand it."

"President Wilson's Administration, in its eagerness to maintain neutrality, has made one new departure from practices which have hitherto been unbroken. 'Heretofore Governments have not undertaken to interfere with private persons or institutions who desired to lend money to belligerents. If we had been unable to borrow money or obtain supplies from abroad while we were cut off from all supplies from the South during the civil war the boundaries of the country of which Mr. Wilson is President might possibly be far different today."

Private Enterprise Hurd.

"But the Administration in its earnestness to maintain strict neutrality during the present war has thought fit to make this new departure by preventing, as far as it can, private individuals from lending money to belligerents. This makes it difficult to understand what theory of neutrality it favors. If the despatches are correct in regard to the purchase by the United States Government of certain German ships now lying useless in New York harbor, the Administration regards as impacting strict neutrality permission to private persons to lend a hundred million dollars to France to be spent in the purchase of supplies in the United States, while at the same time it appears to think it is consonant with honest neutrality to give \$25,000,000 of the public money outright to Germany for ships which German ships cannot use."

"This proposed purchase of German ships by the American Government to be run as Government vessels is calculated to hamper and check exports from the United States. We are suffering severely from the injury to our best markets, consequent on the war, but there are certain articles that Europe must have even now and these exports should be encouraged in every possible way."

"Half a dozen ships owned by the Government can carry only an insignificant fraction of the exports we desire to make, but they will check all private enterprise and prevent Americans from purchasing ships as they would otherwise do in large numbers, because they will fear Government competition. We need every possible outlet for our exports at this moment and Government ships will simply check some of the most important channels and give us one ship where we might have ten."

Public Vessels, or Private?

"For more grave, however, than the interference with trade will be the international complications which these Government-owned ships are certain to produce. Are they to be regarded and treated as merchantmen, or are they public vessels of the United States? It seems impossible that they should be treated as merchantmen under the rules of international law. If one of them should be stopped when classed as a merchantman it would be at the worst a diplomatic incident for which the United States would be engaged in commerce and yet retaining the character of public vessels should be stopped for any reason, that would be an act of war. If one of the German



Senator Henry Cabot Lodge.

cruisers which are now said to be roaming over the Atlantic should hold up one of those Government-owned vessels because she believed this vessel was carrying contraband of war the arrest would constitute an act of war against the United States.

"If England or France believed that one of these Government-owned vessels was carrying supplies, say oil, to Germany by way of Holland, and should stop that ship as they would a merchantman and turn her back it would be an act of war. In neither of these supposed cases, if the vessel were a simple merchantman, would the act of Germany, England or France be an act of war."

A Breach of Neutrality.

"In purchasing these vessels we should begin with a breach of strict neutrality by giving \$25,000,000 to Germany. We should hamper and check the outward flow of our exports, which are of immense importance at this time. Worst of all, we should have half a dozen vessels afloat which might at any moment involve us in war with any or all the belligerents."

"It is an experiment so dangerous that I earnestly hope that the report that the Administration favors it is untrue and that it will not be attempted. 'I repeat that our duty, honor and interest alike demand at the present moment that we should maintain a neutrality toward all the belligerents which should be as honest as it is strict.'"

MAY DROP SHIP BILL.

Won't Press Measure if Private Capital Buys Ships.

WASHINGTON, Aug. 22.—The Wilson Administration will abandon its plan for a Government-owned merchant marine if within the next month or two private capital shows a disposition to purchase ships enough to meet the needs of this country's transatlantic commerce.

The plan for creating a Government-controlled company to operate a system of freight steamers between this country and Europe and South America had been considered only as an emergency measure when, as soon as possible, the Government should be able to operate a system of capital would enter the transportation field under conditions now existing. It was learned today that President Wilson evoked his plan for purchasing ships upon demands made by capitalists who were considering buying ships which the Administration was unwilling to approve. The President was willing that the Government should undertake war risk insurances, the restrictions against foreign built ships should be removed and even that certain changes in the navigation laws be made, but he balked at the demand of capitalists that the Government become responsible for the bonds of corporations formed to participate in the transatlantic trade. It was on the rejection of this last demand that the President called Congress leaders to a conference at the White House and disclosed to them his plan for an emergency measure.

Pending the receipt of evidence that American capital intends to furnish all the ships that may be needed, the Administration will go steadily forward with the preparation of the bill by establishing a line of Government ships and will press for its early consideration by Congress.

Wilson and Alexander Confer.

The President conferred this afternoon with Chairman Alexander of the House Committee on Merchant Marine and Fisheries and Chairman Clarke of the Senate Committee on Commerce. A tentative draft of the measure, which is not regarded as little more than a memorandum, was discussed and progress was made toward an agreement as to the exact language of certain provisions.

It was pointed out after the conference, however, that the bill is to be a comprehensive one, involving many defining provisions as to executive details of the measure, which is not regarded as little more than a memorandum, was discussed and progress was made toward an agreement as to the exact language of certain provisions.

No important changes in the essential provisions of the bill as they were announced at the White House this week are in contemplation. Provision will be made for the appropriation of \$30,000,000, all any part of which is to be invested in the Government-owned company. The plan of a corporation similar to the Great Northern Railway for the operation of transatlantic steamers. The task of putting the plan in effect will be left to a board consisting of the President, the Secretary of the Treasury, the Postmaster-General and Secretary of Commerce.

Administrative officials, who are to press this measure to enactment by Congress will be no simple task. Already strong expression of disapproval of the plan for a Government-owned merchant marine has reached the ears of officials, and has come from sources not hitherto regarded as unfriendly to the Administration. It was stated that J. P. Morgan, on his visit to the Treasury Department on Thursday, expressed the belief that difficulties would be encountered in putting the proposed system in operation.

Government Ownership Feared.

One of the chief objections lodged against the plan was that it would be a big step toward Government ownership of all public utilities. Among many conservative members of both houses of Congress the opinion is that care ought to be taken to make sure that no other solution of the existing emergency problem can be found before the Government plunges

THE WEEK IN THE WAR

SUNDAY, August 16.—Japan sends an ultimatum to the Kaiser giving Germany a month to withdraw from the Far East and demanding an answer within a week. The French drive the Germans back to Saarburg, across the Lorraine border, and take possession of Thann, in upper Alsace. The French now control three passes in the Vosges. The Belgians claim a victory over the advance guard of the German forces at Dinant. Russian troops concentrating along border of German Poland. Russia said to have demanded free passage through the Dardanelles for her Black Sea fleet.

MONDAY, August 17.—British Government manifesting much interest in allaying American apprehensions regarding Japan's ultimatum to Germany. French and Russian Ministers remove from Brussels to Antwerp, turning their offices over to the Spanish Minister. Germans begin advance movement along the line from Huy and Jodoigne. Germans attempt to turn wing of the allied army and raid Brussels. French army of Alsace in possession of Saales pass and Schirmeck. Czar's proclamation to Poland arouses much interest in Russia and enthusiasm in Poland. Russians report capture of Gumbinnen and Interburg, in East Prussia, and an advance into the Austrian province of Galicia.

TUESDAY, August 18.—British War Office admits that an army is actually upon the firing line. Germans reported to be endeavoring to break through the centre of allied armies to the south of Brussels. Patriotic fervor uniting all parties in Sweden in demand for neutrality. Mobilization proceeding perfectly. Servians rout Austrian force in the Sabatz Mountains west of Belgrade, causing loss of 8,000 men. Secretary Bryan receives copy of official announcement that operations of Japan will be confined to China Sea and mainland of China. Japanese Government insists on being party to any negotiations between Germany and China for return of Kiaochow to China. President Wilson pleads with Americans to avoid war talk clashes.

WEDNESDAY, August 19.—Pope Pius X. dies; death believed to have been hastened by worry over European war. Last proclamation was plea for peace. Lines of allied armies extending in a great semicircle from Namur northward and terminating to west of Diest. Brussels barricaded and awaiting attack. French army reaches Morschingen, nineteen miles southeast of Metz, and occupies Chateau Salins and Dieuze. French continue to advance in Vosges. German troops occupy Mlawka, Russian Poland. Russians drive Austrians out of Solak, Galicia, and engage Germans around Eydkuhnen. President Wilson approves bill applying \$30,000,000 to buy overseas ships.

THURSDAY, August 20.—Germans occupy Brussels. Belgian army retreats to Antwerp. Large German forces crossing the Meuse between Liege and Namur. They have occupied Tirlemont, Diest and Malines. Advance guard of German army operating in Belgium Luxembourg reaches Neufchateau. French army recaptures Muelhausen and Guedwiller. French army in Lorraine well across Selle River and advancing toward Straßburg. Austrian infantry defeated at Krasnik, South Poland, by Russians. Germans lose heavily in engagement with Russians near Stalluponen. China inquires what attitude the United States would take toward the cession by Germany to the United States of Kiaochow, for immediate return after the war to China.

FRIDAY, August 21.—Germans overrun north Belgium, threatening Ghent, Ostend and Bruges. Antwerp placed in state of siege. King Albert and General Staff in the city. Germany demands war contribution of \$40,000,000 from Brussels. French compelled to retreat from Lorraine. St. Petersburg reports 500,000 Russian soldiers upon German territory.

SATURDAY, August 22.—Germans occupy Ostend and Ghent. They give assurance that they will not continue to occupy Brussels. The treasurer of the city refuses to comply with the German demand for a war levy of \$40,000,000, saying that it is a flagrant violation of the Hague convention. German centre makes desperate effort to sweep an opposing force of French from entrenched position in Charleroi, at the same time making an effort to silence the Namur forts. German troops advancing upon Lille in line extending from Alost to Ninove through Hal.

The Japanese Government abandons expectation of reply to the ultimatum sent to the Kaiser and will open the war the moment time limit expires. German troops shatter French advance lines east of Vosges Mountains. England calls her army reservists all over the world to Great Britain. Servians victoriously battle near Losnitza. Loss on both sides heavy.

into this somewhat precarious undertaking.

These criticisms have not served to shake the determination of the Administration to carry through its plan, however, if private capital continues unwilling to furnish the needed transportation facilities. In addition it was stated on high authority today that there is not the slightest likelihood that the Government will abandon the plan because of the opposition of capitalists. The confidence of the President and his advisers is strong that the international law will not seriously hamper either the purchase or operation of ships for American trade with belligerent and neutral nations.

On authority the statement was made following the White House conference this afternoon that the Government was glad to see American corporations formed to undertake the responsibilities for which the proposed Government corporation may be formed. The Government will insist, however, that it has done all it properly can to facilitate the investment of private capital in merchant ships and that if the Government is to be put to sea the ocean-going bottoms it must be done under conditions already existing or as changed by indorsed measures before Congress.

Definite information was obtained that the Administration will give no serious consideration to the proposal that the Government should authorize the acquisition of ships to carry the commerce of the United States to foreign countries. Senators Simmons and Chamberlain and other leaders in the Senate said today that there was not the slightest doubt that the bill would pass. They expect some opposition, but believe that it will be possible to get the bill through the Senate before the end of the month.

The Senate will not wait upon the House in the matter. As soon as Senator Clarke gets his bill ready it will be introduced in the Senate and it is expected that President Wilson has impressed on all Senators who have talked with him that he is very much in earnest in his support of the bill.

WANT CITY TO AID UNEMPLOYED

Unions to Ask Mayor for Appropriation Because of War.

A committee was appointed yesterday by the Central Federated Union to urge upon the Mayor the need of an appropriation to relieve the people made idle here by the war in Europe, either by providing work or otherwise. The members of the committee are Edward L. Hannah of the Bluecoat Cutters Union, Michael Carragher, James O'Donnell and Michael Murphy, with Ernest Bohm, secretary of the central body.

It was said by Secretary Bohm last evening that many thousands were idle in this city, principally shipping and waterfront work, and that he had forwarded to the Mayor a list of names of those who were not parading their misfortunes, he said, there was considerable distress.

AID FOR RUSSIAN RED CROSS.

Attractive Programme Presented at Concert on East Side.

A concert for the benefit of the Russian Red Cross, of which Mrs. Bakhmeteff, the wife of the Russian Ambassador, is president, was given last night at Webster Hall, 119 East 42nd street.

The features of the programme were the Kirilloff balalaika orchestra, the choir from the Russian church in Garfield, N. J., the Smolenski string orchestra, Nicholas Vasilyev, soloist at the Russian Cathedral, and Miss A. Filipoffsky, from Vienna. Dancing followed by a performance by members of a Russian theatrical company.

The entertainment was managed by Gabriel G. Dobrow, editor of the Russian *Immigrant*.

Belgian Relief Fund Now \$2,271.

The fund for the relief of the war sufferers in Belgium has reached \$2,271, according to an announcement yesterday from the Belgian relief committee at 10 Bridge street.

This amount has been received by M. H. Consul-General for Belgium, and will at once be forwarded to the stricken territory now occupied by the Germans. Checks can be made payable to the Rev. O. A. Nya.

U. S. MAY MODIFY ITS WIRELESS EMBARGO

Final Reply to Germany Will Be Given Early This Week.

CHANGE OF NO AVAIL

Kaiser Has No Warships Near Coast and Direct Communication Is Impossible.

WASHINGTON, Aug. 22.—It was declared by officials of the State and Navy Departments today that the Administration has not yet reached a final decision as to what it will do regarding Germany's protest against the embargo and censorship on radio stations in the United States. Though the question has been under consideration for nearly two weeks officials state that it will probably be early next week before a final answer is given the German Government's representatives here. It is explained in connection with the delay that the matter is so involved and presents so many difficult practical questions, besides being new in the history of wars, that the working out of a satisfactory solution is difficult.

Haniel von Haimhausen, Charge d'Affaires of the German Embassy, came to the State Department today expecting to receive a final answer on the subject. He was told, however, that he would have to wait some time longer, as no decision had been reached.

It is thought likely that the United States will modify its original rules to a certain extent. One point has been definitely established in the minds of officials here and that is that the United States cannot permit this territory to be used in any sense as a base for the direction of operations of the belligerents in the European wars. Even if the use of the radio stations is granted to the belligerents they will not be permitted to send from these messages directed to any warships at sea.

As a matter of fact the German Embassy has about reached the conclusion that it would gain little if permitted to use the radio stations in the United States. At this season of the year the state of atmosphere is such as to make radio communication very difficult and the maximum sending ranges are reduced greatly. It is practically impossible to communicate by wireless from the United States to stations in Germany.

Inasmuch as the German cable has been cut it was another means of communication with Germany which it was hoped could be achieved by having the United States Government modify its strict embargo. But it now appears that even if changes are made by the Washington authorities the situation, so far as the German Embassy is concerned, will be practically unchanged at present. The Charge d'Affaires is now unable to communicate with Berlin, a state of affairs which is most unsatisfactory of course. It is understood also that there are practically no German warships in Atlantic waters with which communication would be desired. German merchant ships have been driven off the open seas by the British cruisers, so that unless direct communication with Germany is obtained a change in the wireless embargo will avail the German Government nothing at present. The request will not be withdrawn, however, as it is hoped that, with cooler weather, it may be possible to maintain radio communication between the United States and the German coast.

EXPECT FREER WIRELESS.

Stations Think Government Will Lift Ban on Codes.

While no official word from Washington had been received by wireless stations here up to last night concerning the Government's plan to relax the wireless embargo, it is believed that communication with Europe will soon be freer.

The Marconi Wireless Company announced that permission had been obtained from Washington to resume the daily press news service to ocean steamers. This was thought an indication that the Government was relaxing its embargo. It is further believed that the press service is supplied to ships at sea in the form of domestic and foreign news. It contains large quantities of war news and can be picked up by all ships off the coast. No code messages are allowed as yet, the Marconi company said.

The manager of the Sayville wireless station understood the new censorship proposal it will not do away with a censorship in the offices, but will mean that code messages of a neutral character can be sent.

Neither the Sayville nor Tuckerton station was in communication with Germany last night.

No censorship will be established over the cable lines.

GERMANS BAND FOR FAIR PLAY.

Literary Defence Committee Formed to Offset Biased Reports.

The German-American Literary Defence Committee, with headquarters at 153 William street, has been organized under the auspices of the general relief committee for war sufferers in Germany and Austria. The idea in view of trying to counteract publicity concerning events pertaining to the European war that do an injustice to Germany.

The following statement, bearing the signature of Dr. F. C. De Walsh, vice-chairman, was sent to THE SUN last night:

The Defence Committee proposed to neutralize all intentional and unintentional endeavors to create an unwelcome feeling in this country against Germany and especially the German Americans. The committee will also call the attention of the newspapers to mistakes in their columns that are liable to hurt the feelings of the German speaking citizens of the United States. It will further endeavor to make the public aware of the truth and against the custom of some of the papers either to omit all news, state or to hide everything that may look like German under an absolutely unattractive headline on some of the inner pages of the paper.

The committee will also endeavor to control the letters forwarded to the newspaper offices by irate Germans who fail to apply the second sober thought while taking stand in the matter.

"The conservative German element declines to identify itself with belligerent measures against the newspapers, but it earnestly hopes that the American newspapers, finding that they have been systematically deceived by the reports, strategists of London and France, and recognizing that their readers are beginning to ridicule the frenzied efforts to mistakes and London sources to change defeat into success, will refrain from printing their unconfirmed reports of German atrocities, German barbarism, German atrocities and other things bearing the stamp of malicious untruthfulness upon their very face."

ENGLAND CALLS ALL RESERVISTS IN U. S. NEW REVOLT BY VILLA

Paul Fuller, Latest Special Agent, Reports on Attitude of General.

SITUATION STILL CRITICAL

Administration Fears Break With Carranza Will Mean Another Fight.

WASHINGTON, Aug. 22.—Paul Fuller, a New York lawyer, who is the latest recruit to the State Department's corps of special agents in Mexico, arrived in Washington today after a visit to Gen. Villa and made a report to Secretary Bryan. Mr. Bryan's announcement on the subject was limited to the statement that he had conferred with Mr. Fuller. Mr. Fuller was just about as talkative on the subject of his mission.

The purpose of Mr. Fuller's trip to Mexico was to impress on Gen. Villa the suggestion of the United States that he would not do anything which would jeopardize the prospects of the early restoration of peace in Mexico. While administration officials themselves admit that Villa apparently has ample cause for a break with Carranza they are hoping that it may be avoided.

Both Mr. Fuller and Mr. Carranza, the other special agent of the United States near Villa, have used every argument at a conference today to convince Villa of the desirability of his giving Carranza his fullest cooperation.

Secretary Bryan said today that he believed there would be no harmonious cooperation among all Constitutionalists in Mexico. This was after his talk with Mr. Fuller. The Constitutionalists agency recently made a statement to the same effect, declaring that there was some indication that Villa and Carranza have settled all their personal differences amicably.

Meanwhile, Villa remains at Chihuahua, keeping even those closest to him guessing as to what he will do, while his army of 40,000 men is kept ready for field service.

Constitutionalists here to-night asserted that the first question which President Carranza will consider will be that of the immediate establishment of a single form of legal tender in Mexico city is regarded as the first requisite of any scheme for financing finance. The statement is made that there is a national debt of about \$600,000,000, while the customs receipts, even for last year, were more than \$200,000,000.

CARDEN TO LEAVE.

British Minister to Mexico Falls to Please Carranza.

Special Cable Despatch to THE SUN.

MEXICO CITY, Aug. 22.—Sir Lionel Carden, British Minister to Mexico, has found the atmosphere decidedly ungenial here since the change in the administration and for that reason, it is announced, he will soon leave. It is understood that as intimation has been conveyed to him by Provisional President Carranza that his presence is not desirable because of his active support of the Huerta regime.

Senior Fajola, acting Minister of Foreign Affairs, announced to-night that all Mexican legations will be abolished. It being planned to supply the duties of the Minister, who will be credited to all the European nations. Diplomatic agents will be appointed to all countries, but will be under the jurisdiction of the central Minister. These diplomatic agents will take the place of the present Mexican Consuls, who will all be relieved from duty.

Discussing the political situation Fajola said that it was a mistake to call Carranza President. The Constitutional leader has not so designated himself, but has merely "taken charge of the Chief Magistracy." It was explained that this was essential, according to the plan of Guadalupe, because of its bearing on the forthcoming electoral campaign.

J. E. LAMB DYING AFTER FALL

Ex-Congressman May Have Jumped From Window During Repeal.

FRANK HAUTE, Ind., Aug. 22.—John F. Lamb, former Congressman and chairman of the Western committee of the Democratic party in the last Bryan campaign and who has been announced by President Wilson as his choice for Minister to Mexico, is dying after months of puzzling ill health. His death is being hastened by concussion of the spine, which was caused by his jumping or falling from a window Wednesday night.

He was brought from the Massachusetts sanatorium a few weeks ago because of his failing mental health. He had a delusion that he was under arrest. Mr. Lamb left the room Wednesday night at a few minutes and on returning found the window screen removed and his husband gone. He was lying under the window.

Mr. Lamb is a protégé of Senator D. W. Voorhees, has been a leader in his party in the State and in recent years had opposed the Tom Taggart organization in the party. He is 54 years old.

GERMAN PRISONERS FIGHT.

French Troops Separate Captives Who Quarrel Over War.

PARIS, Aug. 22.—According to a despatch received here from Coralie, France, a consignment of German prisoners on the way to a detention camp, came to blows in a discussion among themselves of the issues of the war. The quarrel was so serious that the French troops were called in to separate them. Several of the prisoners were injured.

Nine hundred German prisoners, comprising 700 soldiers and 200 civilians, were sent to France by a transport which left Ostend last night at midnight.

BOVIE TO RULE ASSAY OFFICE.

Opposer of Sulzer Inauguration Will Get \$4,500 Job.

WASHINGTON, Aug. 22.—Vernon Mowbray Bovie, lawyer, independent Democrat and member of the Assembly of 1913, who refused to vote to impeach William Sulzer, will be appointed superintendent of the assay office at New York. The salary, \$4,500 a year.

Mr. Bovie lives in New Rochelle and has a law office at 50 Pine street, New York. He is about 36 years old and has lived in New York for about fifteen years. Senator O'Gorman and Secretary Adoo at a conference today decided upon Mr. Bovie for the office. There were two or three other candidates, but they were not very active. The nomination will probably go to the Senate next week.